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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION

In Re:	§	
	§	
AMERICAN HOUSING FOUNDATION,	§	CASE NO. 09-20232-RLJ-11
	§	
Debtor-in-Possession	§	

**TRUSTEE’S FIRST AND FINAL MOTION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF MAGIC MEDIA, L.L.C. AS COMPUTER
CONSULTANT FOR AMERICAN HOUSING FOUNDATION AND REQUEST
FOR PAYMENT FROM LIFE INSURANCE PROCEEDS HELD IN THE
REGISTRY OF THE COURT**

TO THE HONORABLE ROBERT L. JONES, U.S. BANKRUPTCY JUDGE:

NOW COMES, WALTER O’CHESKEY, CHAPTER 11 TRUSTEE FOR AMERICAN HOUSING FOUNDATION (the “Trustee”) in the above referenced bankruptcy case, and files this First and Final Motion For Compensation and Reimbursement of Expenses of Magic Media as Computer Consultant for American Housing Foundation and Request For Payment From Life Insurance Proceeds Held in the Registry of the Court, pursuant to Local Bankruptcy Rule 2016, and in support of such Motion would show the Court as follows:

1. On April 21, 2009, a number of unsecured creditors represented by MULLIN HOARD & BROWN, LLP, filed an involuntary Chapter 11 bankruptcy petition against

Trustee’s First and Final Motion For Compensation & Reimbursement
of Expenses For Magic Media as Computer Consultant
for American Housing Foundation
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American Housing Foundation under Case No. 09-20232 filed in the U.S. Bankruptcy Court for the Northern District of Texas, Amarillo Division.

2. On or about June 11, 2009, AHF filed for voluntary Chapter 11 Bankruptcy in the United States Bankruptcy Court for the Northern District of Texas, Amarillo Division under Case No. 09-20373.

3. An agreed order to consolidate the two proceedings (Case no. 09-20232 and Case no. 09-20373) into a single proceeding under Case No. 09-20232 was entered by the Court on July 17, 2009.

4. On December 9, 2010, the Debtor filed its Motion to Employ Magic Media L.L.C. as Computer Consultant for American Housing Foundation, Nunc Pro Tunc, Along with Motion for Compensation and Reimbursement of Expenses. The compensation requested in the Motion consisted of fees in the amount of \$102,468.09 for services performed on behalf of the Debtor from August 10, 2009 through October 8, 2009.

5. On January 24, 2010, the Court entered an Order Granting Motion to Employ Magic Media as Computer Consultant for the American Housing Foundation, Nunc Pro Tunc, Along With Motion For Compensation and Reimbursement of Expenses. In the Order it stated that that sums approved shall not be paid from the bankruptcy estate until there are sufficient unencumbered funds to do so and an order approving such distributions in entered by the Court. As of this date, none of the fees and expenses awarded in the Order have been paid by the Debtor to the present date.

6. On February 11, 2010, the U.S. District Court entered an Order in Case No. 2:09-CV-231-C, Robert L. Templeton, et. al. v. American Housing Foundation, et. al. ordering that the Debtor, American Housing Foundation, is the owner of \$21 million worth of insurance policies, as well as the proceeds and interest accrued from those policies (the “Insurance Proceeds”), which is equal to 78% of the funds in the registry of the Bankruptcy Court. In its Order, the District Court directed the Clerk of the Court to continue to hold the funds in the registry of the Bankruptcy Court until further order of the United States Bankruptcy Court in Case No. 09-20232-rlj, In re American Housing Foundation, except that the Clerk of the Court was directed to release from such funds amounts sufficient to pay allowed professional fees and administrative expenses upon presentation to the Clerk of the Court of a final Order of the United States Bankruptcy Court, issued after notice and a hearing, specifically approving the payment of such fees and expenses out of such funds.

7. On April 28, 2010, the U.S. Bankruptcy Court appointed Walter O’Cheskey as the Chapter 11 Trustee in this case.

SUMMARY OF AMOUNTS REQUESTED FOR FEES

8. The Trustee is now seeking approval from the Court to allow Magic Media to receive payment of the fees that have been incurred for the services from September 25, 2009 through December 12, 2009 in the amount of \$56,488.25. Attached hereto as Exhibit “A” is a copy of the statements for the services that were rendered by Magic Media, L.L.C., which

describe the services that were rendered on behalf of the Debtor, the amount of time spent, and the hourly rate charged.

9. During the period of representation covered by this Motion, Magic Media has expended a total of 248.25 hours for professional services on behalf of the Debtor. The hourly rates charged by Magic Media, in similar matters, considering the size and degree of responsibility and difficulty, the complexity of the problems and issues involved in the cases is \$175.00 an hour.

**DESCRIPTION OF PROJECT BILLING AND SERVICES
PROVIDED TO THE DEBTORS**

10. Following its employment by the Debtor, Magic Media has performed computer consulting services for the Debtor during the pendency of the case. The services rendered and the costs and expenses incurred on behalf of the Debtor during the application period, for which compensation is being sought in this Motion, were actual and necessary. The amount charged for fees is reasonable and necessary based on the nature, extent and value of the services and the amount of time spent providing the services.

**NOTICE OF REQUEST OF MOVANT FOR ORDER AUTHORIZING PAYMENT
FROM LIFE INSURANCE PROCEEDS HELD IN THE REGISTRY OF THE COURT**

11. On February 11, 2010, the U.S. District Court entered an Order in Case No. 2:09-CV-231-C, Robert L. Templeton, et. al. v. American Housing Foundation, et. al. ordering that the Debtor, American Housing Foundation, is the owner of \$21 million worth of insurance policies, as well as the proceeds and interest accrued from those policies (the "Insurance Proceeds"), which is equal to 78% of the funds in the registry of the Bankruptcy Court. In its

Order, the District Court directed the Clerk of the Court to continue to hold the funds in the registry of the Bankruptcy Court until further order of the United States Bankruptcy Court in Case No. 09-20232-rlj, In re American Housing Foundation, except that the Clerk of the Court was directed to release from such funds amounts sufficient to pay allowed professional fees and administrative expenses upon presentation to the Clerk of the Court of a final Order of the United States Bankruptcy Court, issued after notice and a hearing, specifically approving the payment of such fees and expenses out of such funds.

Thus, the Trustee is hereby requesting the Court to include in its Order approving the Motion, authorization for the Clerk to issue payment of the requested fees and expenses out of such funds.

WHEREFORE, PREMISES CONSIDERED, the Trustee requests that the Court approve his First and Final Motion For Compensation and Reimbursement of Expenses For Magic Media as Computer Consultant For American Housing Foundation in the amount of \$56,488.25, consisting of \$43,443.75 in fees and \$13,044.50 in expenses, and further prays that the Court enter its order authorizing the Debtor to pay Magic Media for the fees only that were approved by the court on Debtor's Motion For Compensation entered on January 24, 2010, in the amount of \$102,468.09, as well as the fees and expenses for which the Trustee seeks approval for in this Motion, for a total of \$158,956.34, with payment to be made from life insurance proceeds held in the registry of the court in the amount of \$71,409.24, representing 40% of the fees (\$58,364.74) and 100% of the expenses (\$13,044.50) and further prays that the Court enter its order authorizing the Clerk to pay Magic Media for the fees and expenses for which the Trustee seeks approval in this Motion; and direct that these fees and expenses be paid out of the Insurance Proceeds held in the registry

of the Court; The Trustee additionally seeks such other and further relief at law or in equity as the Court may deem necessary and proper.

NOTICE OF OPPORTUNITY FOR OBJECTION

NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AT P.O. BOX 15960, AMARILLO, TX 79105-0960 BY NO LATER THAN SEPTEMBER 3, 2010, WHICH IS TWENTY-ONE (21) DAYS FROM THE DATE OF SERVICE HEREOF. IF SERVICE IS BY MAIL, THREE ADDITIONAL DAYS ARE ALLOWED PURSUANT TO FED. R. BANKR. P. 9006(f).

ANY RESPONSE MUST BE IN WRITING AND FILED WITH THE CLERK AND A COPY MUST BE SERVED UPON COUNSEL FOR THE MOVING PARTY PRIOR TO THE DATE AND TIME SET FORTH HEREIN. IF A RESPONSE IS FILED A HEARING WILL BE HELD ON SEPTEMBER 9, 2010 @ 1:30 P.M. IN THE U.S. BANKRUPTCY COURTROOM LOCATED AT 624 S. POLK - SUITE 100, AMARILLO, TEXAS (VIDEO DOCKET).

IF NO HEARING ON SUCH NOTICE OR MOTION IS TIMELY REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT OR THE NOTICED ACTION MAY BE TAKEN.

Respectfully Submitted,

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By /s/ Max R. Tarbox
Max R. Tarbox; SBN: 19639950
Attorneys for Chapter 11 Trustee

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Motion was served on the following parties in interest on this 13th day of August, 2010:

1. Ms. Mary Frances Durham
U.S. Trustee's Office
1100 Commerce Street
Room 976
Dallas, Texas 75242
2. All parties receiving ECF Notice in this case.

/s/ Max R. Tarbox
Max Tarbox